

Earned Income Credit (EIC) Advance Payment Information

►(Effective Pay Period 25, 2006)◄

Use the following steps to calculate the EIC advance payment. **Note:** Once the employee's year-to-date annual taxable wages paid reach ►\$33,241◄ or more for **single, head of household, or widow(er)** filers or ►\$35,241◄ or more for **married** filers, the EIC advance payment is \$0.00.

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefit Plan payment(s) (includes flexible spending account - health care and dependent care deductions) from the amount computed in step 1.
3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages by 26 to obtain the annual taxable wages.
5. If the employee (**single, head of household, or qualifying widow(er)**) is filing for EIC advance payment, apply the annual taxable wages to the following table:

| If the Amount of Annual Wages Is: | | The Amount of EIC Advance Payment Should Be: | | | |
|-----------------------------------|---------------|--|------|-----------------|-----------|
| Over: | But Not Over: | | | Of Excess Over: | |
| \$ 0 | ►\$ 8,390.00 | \$ 0 | plus | 20.400% | \$ 0 |
| 8,390.00 | 15,390.00 | 1,712.00 | | | |
| 15,390.00 | 33,245.66 | 1,712.00 | less | 9.588% | 15,390.00 |
| 33,245.66◄ | and over | 0 | | | |

6. If the **married employee (not spouse)** is filing for EIC advance payment, apply the annual taxable wages to the following table:

| If the Amount of Annual Wages Is: | | The Amount of EIC Advance Payment Should Be: | | | |
|-----------------------------------|---------------|--|------|-----------------|-----------|
| Over: | But Not Over: | | | Of Excess Over: | |
| \$ 0 | ►\$ 8,390.00 | \$ 0 | plus | 20.400% | \$ 0 |
| 8,390.00 | 17,390.00 | 1,712.00 | | | |
| 17,390.00 | 35,245.66 | 1,712.00 | less | 9.588% | 17,390.00 |
| 35,245.66◄ | and over | 0 | | | |

7. If the **married employee and spouse** are filing for EIC advance payment, apply the annual taxable wages to the following table:

| If the Amount of Annual Wages Is: | | The Amount of EIC Advance Payment Should Be: | | | |
|-----------------------------------|---------------|--|------|-----------------|----------|
| Over: | But Not Over: | | | Of Excess Over: | |
| \$ 0 | ►\$ 4,195.00 | \$ 0 | plus | 20.400% | \$ 0 |
| 4,195.00 | 8,695.00 | 856.00 | | | |
| 8,695.00 | 17,622.83 | 856.00 | less | 9.588% | 8,695.00 |
| 17,622.83◄ | and over | 0 | | | |

8. Divide the annual EIC advance payment amount by 26 to obtain the biweekly EIC advance payment amount.